

16 August 2021

To: GVT-List F (Please distribute to officers involved in the procurement of construction services)

Bcc: PDG, CCP members

**Advisory on Deferment of Public Sector Construction Tenders for 2021**

This advisory informs all Ministries, Organs of State, Departments and Statutory Boards on the deferment of public sector construction tenders planned for 2021.

2 As the Government Procuring Entities (GPEs) would be aware, the COVID-19 travel restrictions have posed severe foreign manpower constraints for the construction sector. Thus far, the construction Work Permit Holder (WPH) stock has dropped by 16% compared to pre-COVID levels. This could fall further in the coming months if the inflow of the workers is not re-established due to public health concerns.

3 In this regard, MND/BCA had conducted a survey in May 2021 with the GPEs regarding their upcoming list of construction tenders in 2021 and 2022, with a view to moderate foreign manpower demand for public sector construction tenders. From the survey findings, we understand that some GPEs have already deferred some of their upcoming construction tenders in 2021 and 2022 due to various reasons, and have also provided a list of construction tenders in 2021 and 2022 that could be further deferred if needed.

4 GPEs should proceed to defer upcoming construction tenders in 2021 that GPEs had earlier assessed could be further deferred. Given that the current outlook for worker inflow remains uncertain, there will likely be a continuing impact on construction tender prices. If there are additional projects that GPEs can defer, which were not highlighted in the previous survey returns, GPEs should also proceed to do so. GPEs should also be mindful that projects may not be able to receive funding top-up from MOF if the tender prices are not within the previously budgeted amount. Nevertheless, GPEs can consider proceeding with design and consultancy tenders for these projects as foreign manpower is typically not required at the design and consultancy stage.

5 Projects funded through MOF's reinvestment fund (RF) will have their existing timebar of 15 months extended by the length of the project deferment (i.e. if agencies have assessed that a project should be deferred by two months, the timebar will now be 17 months), up to a maximum deferment of 12 months. GPEs should keep their respective MOF deskheads informed of the length of deferment when the construction projects are eventually tendered out.

6 As the foreign manpower situation remains dynamic, we will advise on the deferment of construction tenders planned for 2022 at a later stage.

7 For clarifications, please contact the following:

For queries relating to funding and RF:	For queries relating to Advisory and project deferment:	
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Thank you.

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